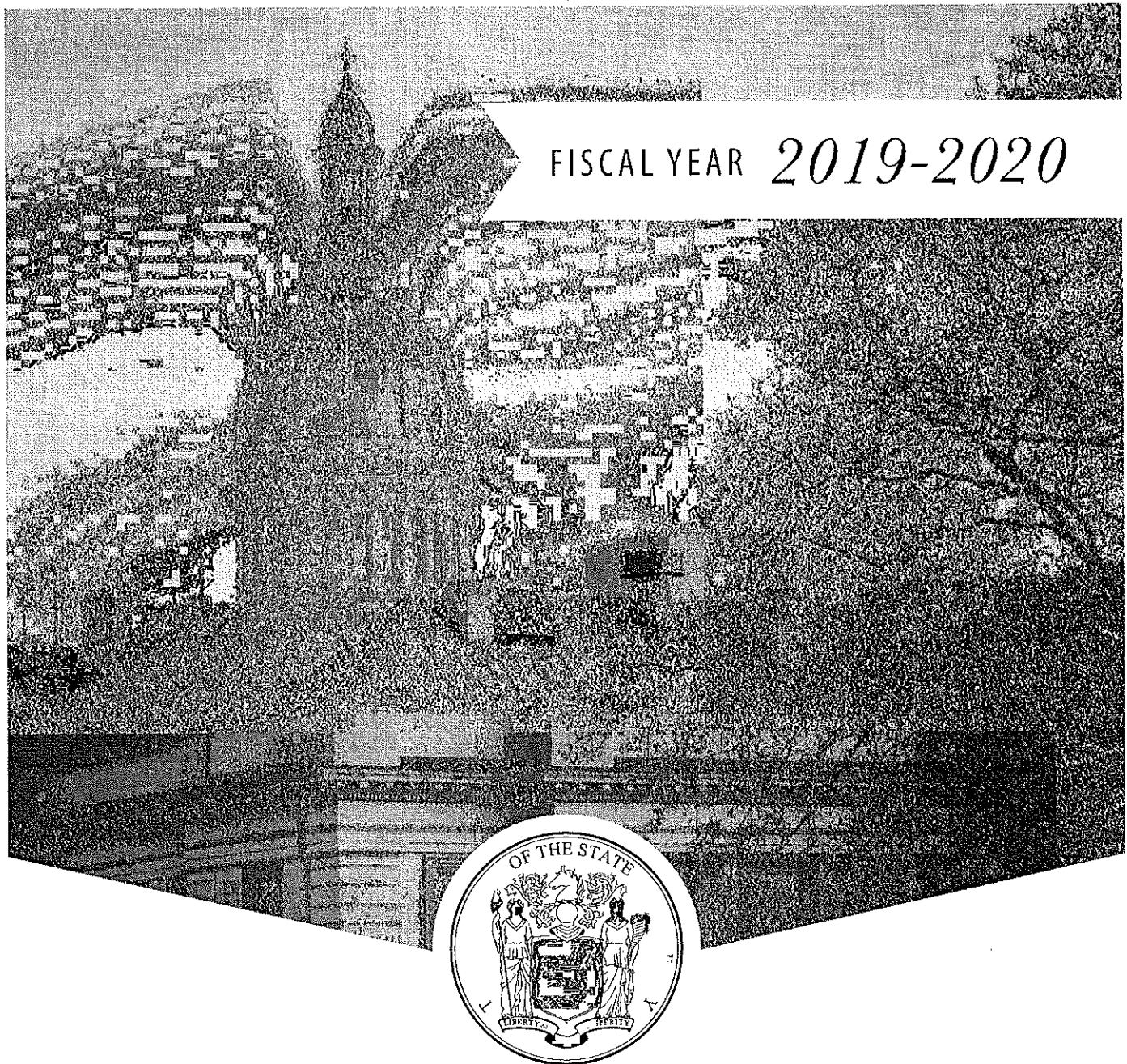
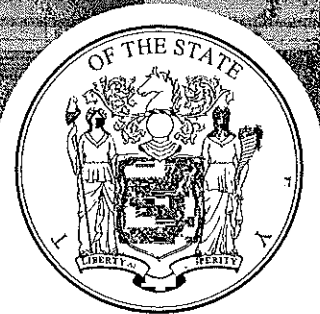


Exhibit B



FISCAL YEAR *2019-2020*



ANALYSIS OF THE NEW JERSEY BUDGET

DEPARTMENT OF EDUCATION

Prepared by the
New Jersey Legislature
★ *Office of* LEGISLATIVE SERVICES ★

April 2019

Highlights

- The recommended FY 2020 budget increases direct aid to schools by \$206 million, or 2.4 percent, above the amount appropriated for this purpose in the current fiscal year.*** FY 2020 is the first year of the allocation of State school aid pursuant to the provisions of P.L.2018, c.67 (C.18A:7F-67 et al.). Under that law, a State aid differential is calculated for each school district as the amount of aid that the district received in the prior school year, not including educational adequacy aid and school choice aid, minus the sum of equalization aid, special education categorical aid, security categorical aid, and transportation aid as calculated under the "School Funding Reform Act of 2008" (SFRA), P.L.2007, c.260 (C.18A:7F-43 et al.), prior to applying the State aid growth limit. In the case of a school district in which the State aid differential is positive, the differential will be reduced by a certain percentage in each school year from the 2019-2020 through 2024-2025 school years. For the 2019-2020 school year, the reduction is 13 percent, and approximately 200 school districts will have a reduction in State aid.

School districts in which the State aid differential is negative will receive an increase in State aid. Each such school district will receive a proportionate share of the sum of the **total State aid reduction** from districts that have a positive State aid differential and any **additional amount** included in the appropriations act for the purpose of providing direct State aid to school districts. For school year 2019-2020, the total State aid reduction is \$89 million, and the additional amount proposed by the Governor is \$192.6 million.

- The proposed budget includes additional State aid for the Lakewood Township School District.*** State aid, in addition to that calculated under P.L.2018, c.67 (C.18A:7F-67 et al.), is provided to the Lakewood School District under three language provisions included in the recommended budget. Under the language provisions, Lakewood will receive approximately \$6.1 million in additional transportation aid, \$8.9 million in additional special education categorical aid, and \$15 million in a new aid category, Provisional Stabilization Aid.
- The proposed budget continues the Lakewood Township School District Nonpublic School Pupil Transportation Program.*** P.L.2016, c.22 (C.18A:39-1d) authorized the commissioner to establish a three-year nonpublic school pupil transportation program in the Lakewood School District. Under the program, a consortium of nonpublic schools oversees the transportation of the nonpublic school pupils to those nonpublic schools, and the school district provides the aid in-lieu-of-transportation amount, currently \$1,000, for each nonpublic school pupil eligible for transportation. The 2018-2019 school year is the final year of the pilot program and the statute required the submission of a report on the pilot program to the Governor and the Legislature on whether the pilot program should be continued. While that report has not been issued, the proposed budget would continue the pilot program for the 2019-2020 school year and authorize the commissioner to determine the aid in-lieu-of transportation amount to be provided for each eligible nonpublic school pupil.